

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. CROIX**

UNITED STATES OF AMERICA
(U.S. Small Business Administration),

Plaintiff,

vs.

ERICK C. BRICE and LAURA D. BRICE,

Defendants.

CIVIL NO. **2022-2**

ACTION FOR DEBT AND
FORECLOSURE OF
MORTGAGE

COMPLAINT

COMES NOW, Plaintiff United States of America, by and through its attorneys, Gretchen C.F. Shappert, United States Attorney for the District of the Virgin Islands, and Kimberly L. Cole, Assistant United States Attorney, and for its complaint against Defendants states as follows:

1. This is an action for debt and foreclosure by the United States of America on behalf of the United States Small Business Administration (the “United States”) to foreclose a mortgage given by the borrower, Erick C. Brice, to the United States.

2. The Court has jurisdiction over this matter pursuant to Title 28, United States Code, Section 1345, because this is an action commenced by the United States.

3. Venue is proper in this district pursuant to Title 28, United States Code, Section 1391, because the property involved in this action is located in the Territory of the Virgin Islands.

4. Upon information and belief, both Defendants are residents of St. Croix, U.S. Virgin Islands. The Court may exercise jurisdiction over these Defendants because they have an interest in real property situated on St. Croix, United States Virgin Islands.

5. On or about February 15, 2018, Defendant Erick Brice executed and delivered to

the United States a promissory note (the “Note”) in which he promised to pay the United States the principal sum of One Hundred Twenty-One Thousand Seven Hundred Dollars (\$121,700.00), plus interest at the rate of 1.7500 % per annum in monthly installments beginning February 15, 2019. A copy of the Note is attached hereto and incorporated by reference as Exhibit A.

6. On April 17, 2018, a Loan Authorization and Agreement (“Loan Agreement”) was executed and delivered to the United States by Defendant Erick Brice detailing the payment terms, collateral and use of proceeds. A copy of the Loan Agreement is attached hereto and incorporated by reference as Exhibit B.

7. As security for the payment of the Note, on November 13, 2018, both Defendants executed and delivered to the United States a real estate mortgage (the “Mortgage”) encumbering the following described real property located on St. Croix in the Territory of the United States Virgin Islands:

Plot No. 9-Q (0.26 U.S. acres) Whim Estates, West End Quarter as shown on Public Works Department Drawing No. 1686 dated December 5, 1964.

(“the Property”). By its terms, the Mortgage secures payment of the indebtedness owed by Defendant to the United States under the Note. The Mortgage was recorded in the Office of the Recorder of Deeds for St. Croix on November 13, 2018, at Official Record Book 1523, Page 197, Doc. No. 2018004493. A copy of the Mortgage is attached hereto and incorporated by reference as Exhibit C.

8. On June 21, 2019, a default notice and loan modification letter (“Loan Modification”) was sent to Defendant Erick Brice. As a result of past-due loan payments for April, May and June 2019, SBA modified the Loan Agreement by reducing the loan amount to the amount already disbursed. The loan amount was decreased from \$121,700 to \$50,000. Monthly installments were reduced from \$455.00 to \$187.00 per month effective April 6, 2019. The interest

rate and loan maturity remained unchanged. A copy of the Loan Modification is attached hereto and incorporated by reference as Exhibit D.

9. Defendant is in default under the terms of the Note, Loan Agreement, Mortgage and Loan Modification by virtue of his failure to pay the monthly installment due on August 6, 2019, and all subsequent installments.

10. By reason of the default, and pursuant to the terms of the Note, Loan Agreement, Mortgage and Loan Modification, the United States declared the entire amount of the indebtedness evidenced by the Note, Loan Agreement, and Loan Modification and secured by the Mortgage to be immediately due and payable and demanded payment from Defendant Erick Brice.

11. Defendant Erick Brice has failed to cure the default within the time provided and failed to pay all principal and interest as demanded. A copy of the demand letter is attached hereto and incorporated by reference as Exhibit E.

12. Accordingly, there is now justly due and owing by Defendant Erick Brice to the United States the following sum:

a. Principal and advances.	\$50,489.15
b. Accrued Interest	<u>\$ 1,182.53</u>
TOTAL	\$51,671.68

Interest continues to accrue at the rate of \$2.42 per day on the unpaid interest until the date of judgment. After the entry of judgment, interest will accrue at the legal rate of interest, pursuant to 28 U.S.C. § 1961. A Certificate of Indebtedness is attached hereto and incorporated by reference as Exhibit F.

13. No other action has been brought at law or in equity to enforce the provisions of

the United States' Note, Loan Agreement, Loan Modification and Mortgage, and all conditions precedent to the bringing of this action have occurred or been performed, including any and all loan servicing actions required by applicable statutes and regulations.

14. The United States' Mortgage is a lien upon the Property, which is superior to any right, title or interest of Defendants in and to the Property.

15. Fee simple title to the Property is vested in both Defendants.

WHEREFORE, Plaintiff United States requests the following relief:

- a. Judgment declaring that Defendant Erick Brice has defaulted on the Note, Loan Agreement, Loan Modification and Mortgage thereby entitling the United States to exercise all of the remedies provided for in those documents;
- b. Judgment against both Defendants awarding the United States all amounts due under the Note, Loan Agreement and Loan Modification, including principal, interest, recaptured interest credits, and costs;
- c. Judgment foreclosing the Mortgage and ordering that the Property be sold by the United States Marshal, and that the United States be paid all amounts due under the Note, Loan Agreement and Loan Modification from the proceeds of the sale;
- d. Judgment declaring that both Defendants and all persons claiming from and under them are barred and forever foreclosed of all rights, title, lien, claim and equity of redemption in and to the Property, subject only to the statutory right of redemption, except where waived and released;
- e. Judgment declaring the relative order of priority of liens against the Property, including that the Mortgage of the United States is the first lien upon the Property; and

- f. Judgment awarding the United States such other and further relief as the Court deems just and proper.

GRETCHEN C.F. SHAPPERT
UNITED STATES ATTORNEY

Dated: January 7, 2022

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